

Port of Anacortes

Regular Commission Meeting Work/Study Session July 15, 2010

The Port Commission of the Port of Anacortes held its regular meeting and work/study session at 7:00 P.M. on the evening of July 15, 2010. This was a regularly scheduled Commission Meeting held at the Commission Meeting Room of the Main Port Warehouse Building, 1st & Commercial Avenue, Anacortes, Washington.

In Attendance: Commission President Rubin, Commission Vice-President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Director of Finance & Administration & Acting Executive Director Johnson, Director of Operations & Facilities Hachey, Director of Engineering Elsner, Marina Manager Fowler, Accounting Manager Behan, Project Manager Rowe, and Executive Assistant Lindsey. Executive Director Hyde was excused.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of July 15, 2010, to order and welcomed all in attendance.

PUBLIC COMMENT

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda. Hearing no one with a desire to address the Commission, the floor was closed.

CONSENT AGENDA

Commissioner Rubin read the consent agenda items: Action Item – Executive Director Authorization to Surplus and Sell Personal Property – Miscellaneous items no longer needed for Port purposes; Action Item – Resolution No. 1222 – Auction of Abandoned Vessel; Action Item – Resolution No. 1223 – Amending the Port’s Strategic Plan; and Action Item – Resolution No. 1224 – Amending the Port’s Mission Statement. Commissioner Rubin called for any objections to the consent agenda. Hearing none, Commissioner Rubin called for a motion for approval. Commissioner Short moved to approve the consent agenda. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

REGULAR AGENDA

ACTION ITEMS

Scott Site Cleanup – Chartis Authorizations – Phase 2, Project #ENV-01B –

Director of Finance & Administration & Acting Executive Director Johnson introduced Director of Engineering Elsner who reviewed the item for the Commission. The action item requested Commission authorization for additional funding to align the Chartis budgets with the Phase 2 Commission authorizations that have been received to date.

Director Elsner explained that staff has come to the Commission on multiple occasions to authorize budgets for the Scott Site cleanup since the execution of the Consent Decree and funding documents with the Washington State Dept. of Ecology and Kimberly Clark totaling \$28,315,735. He noted that over the course of the last year, Port staff has sought authorizations for Phase 1, Phase 2, and for material procurement, with authorizations to date totaling \$25,032,229, for a variance in funding between Chartis and the Commission authorizations of \$3,283,506. Phase 2 was not entirely budgeted for all work required, primarily due to the higher than anticipated costs for remedial action excavation work, particularly RA-5 as reported to the Commission at the July 1, 2010 meeting. In order to move forward with the completion of Phase 2 while leaving Phase 3 funding intact, staff is requesting \$1,781,586 for Phase 2 completion. This authorization would align the Chartis and Commission budgets and does not commit the Port to any additional work or financial obligation not previously agreed to.

Hearing no questions from the Commission, Commissioner Rubin called for a motion. Commissioner Short moved to authorize the additional funding of \$1,781,586 for the Former Scott Paper Mill Cleanup Project – Phase 2, Project #ENV-01B. All costs will be paid from the Environmental Fund, and cost recovery proceeds will be applied back to the Environmental Fund. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

Construction Authorization for Cap Sante Boat Haven Parking Lot Improvements, Project #PROP-06 –

Director Johnson introduced Director of Operations & Facilities Hachey who briefed the Commission on the item, which requested Commission authorization for staff to proceed with the construction elements for a paved parking lot adjacent to the new Anthony's restaurant and future development site. He noted the scope of work called for 147 stalls. The final design was completed in June of this year with a call for bids on June 15, 2010 and a bid opening on July 8, 2010. Director Hachey reported that twelve bids were received ranging from \$382,144.04 to \$526,366.45 including applicable Washington State Sales Tax. Schwetz Construction Inc. was the lowest responsive and responsible bidder.

In response to questions from the Commission, Director Hachey reviewed that the original design included pervious pavement as requested by the City of Anacortes. After soil analysis was completed it was determined that pervious pavement would not be effective and a Filterra Bioretention system, an excellent, but more costly solution for stormwater management was substituted to meet compliance criteria requirements from the City.

Anthony's will use roughly half of the parking units with 91 required for their facility by the City. The anticipated cost overage for the parking lot is approximately \$216,000 over the \$200,000 budgeted, which will be borrowed from the Tax Fund and paid back from the additional funds gained from the increased value of land leases next to the Anthony's site. Future tenants at the adjacent site will pay for a certain number of parking spaces with potential for additional income. Anthony's has the option for right of first refusal for lease of the adjacent site.

Commissioner Rubin asked for further explanation of the environmental requirements. Project Manger Rowe reviewed the Filterra Bioretention system process as well as the additional rain gardens that will assist in the filtration of water. Hearing no other questions, Commissioner Rubin called for a motion. Commissioner Mooney moved to authorize funding in the amount of \$416,360; comprised of \$200,000 from Anthony's lease and the remaining \$216,360 from a loan from the Tax Fund; to complete the construction elements for the Cap Sante Boat Haven

parking lot improvements, Project #PROP-06. Commissioner Short seconded the motion. With discussion concluded, Commissioner Rubin called for a vote on the motion, which carried unanimously.

STUDY SESSION

2011 Capital Improvement Plan Review – Potential Projects –

Director Elsner reviewed a list of potential projects and funding sources for 2011, including on-going or carry-over projects from 2010. Work on these projects will be completed as funds allow.

Scott Site Cleanup – This project is fully funded. Phase 3 is scheduled for 2011.

Seafarers' Memorial Park Building – Staff will be working with the Commission and technical consultants to review options for the building in late August-early September. Scott Site funding for the building only covers the building's return to its original site as a single-story structure.

Cap Sante Boat Haven E&F Dock Replacement – Funding will come from a combination of bonds and construction funds with staff pursuing grant funding. The dredging component of the project has been removed and an analysis of how to perform this work separately will be undertaken. The primary cost involved for dredging is for the disposal of the dredge material. The sediments at the Boat Haven include a level of dioxin that under present criteria would require other than in-water method of disposal. Dredging costs are estimated at between \$4-5 million dollars at \$100 per ton. The Dept. of Ecology recently closed a comment period and is examining this issue of whether these low levels of dioxin can be classified as cleanup funding eligible. Director Elsner explained that dioxin is a ubiquitous chemical from stormwater and air sources. Two outfalls discharge into the Boat Haven and staff is of the opinion that the dioxin present there has a stormwater signature. This portion of the Boat Haven was last dredged in the 1950's and 1960's. Precision dredging methods are available that will allow the replacement of E & F Docks now and dredge the area at a later date. Commissioner Hopley noted that dioxin bonds to and travels with the sediments and that the Boat Haven is a receiver of dioxin, not a source of dioxin.

Marine Terminal Stormwater Improvements – including General Fund Improvements to the Wyman's Ramp which were delayed in 2010 due to permitting will carry-over into 2011. The Ramp serves a unique fleet of vessels that provide necessary services to the surrounding islands and region. Staff submitted a grant amendment under the JDF grant for stormwater improvements and it was recently approved. The grant will provide as much as \$500,000-600,000 towards the overall cost of the improvements. Port staff is also looking at other competitive grants for stormwater improvements. Commissioner Niver noted that he had spoken to a staff member of Senator Mary Margaret Haugen regarding the projects. Both involve significant transportation issues with environmental aspects.

Properties – Puget Sound Rope Office Building – The Commission has been briefed on this structure which the Port will construct using property proceeds funds and lease to Puget Sound Rope.

Marine Terminal Security Improvements – This includes a gate house, lighting, and Transportation Workers Identification Card reader system at Pier 2. These improvements will be funded by a grant from the Dept. of Homeland Security.

Airport Pavement Crack Sealing – This preventative maintenance is grant funded by the FAA. Commissioner Mooney noted he would like to see a sign installed along Oakes Avenue indicating tenants at the Airport. Director Hachey noted that the Port is considering new signage throughout Port properties.

Director Johnson noted that staff will work through the budget process with preliminary information provided to Finance in August. The Wyman's improvement project is the only General Fund project identified for 2011. The Seafarers' Memorial Park Building improvements discussed by the Commission could be funded from either the General Fund or the Tax Fund based on the request of the Commission. Staff would recommend use of the Tax Fund if improvements are decided upon.

DISCUSSION ITEMS & UPDATES

2011 Tax Levy

Director Johnson recommended that the Port Commission maintain the Tax Levy at the same level as the past two years, at \$530,000. The Commission will examine this figure during the budget process.

Sulfur Export

Director Hachey provided the Commission with an update on what he referred to as very much a work in progress. He explained that the Port is working through monitoring and permitting and had received a draft permit. The sulfur handling company, Marsulex, is also working on their permitting for new storage facility building construction at their Marches Point location. Marsulex will be here to meet with Port staff next week. Once a contract is ready to finalize, staff will bring this to the Commission. Director Hachey responded to questions from the Commission regarding air monitoring and monitor installation, as well as any dust considerations. Staff will bring in a consulting engineer to answer these and other questions regarding sulfur shipments at Pier 2.

Citizen Proposal Policy

Commissioner Rubin noted he and Commissioner Niver had both put together some proposals stemming from the Commission's discussion at the July 1, 2010 meeting. He invited comments from the Commission regarding both proposals. Commissioners Rubin and Niver will meet to discuss the proposals and work to bring an updated single policy proposal to the Commission at a later date.

COMMISSION DISCUSSION

Commissioner Rubin called for any items for discussion from members of the Commission.

Commissioner Short observed that in his travels to other marinas he'd noticed a drop in transient moorage. By comparison, the Cap Sante Boat Haven had very few empty slips, which he saw as an indication of good management.

COMMUNICATIONS

Upcoming Events –

Director Johnson reported on upcoming events. On July 16th the What the Heck Fest returns to the Transit Shed, followed by the 2nd Annual Anacortes Workboat Races on July 17th at Pier 1. The Port is also sponsoring live entertainment arranged by Executive Assistant Lindsey at the

Central Pier of the Boat Haven for each weekend in July and August, with a number of talents attracting additional people to the facility.

Community Tours-

Director Hachey noted that the next community tour would be August 9th. Tours meet outside the Dakota Creek office at 4th & Q Avenue and move from there to a variety of locations to view Port projects.

UPCOMING MEETINGS

Director Hachey reviewed the Commission's upcoming meeting schedule. The next Regular Port Commission Meeting is scheduled for August 5, 2010 at 7:00 P.M. The next Commission Regular Meeting and Work/Study Session will be held on August 19, 2010 at 7:00 P.M. Regular meetings are usually held in the Commission Meeting Room of the Main Port Warehouse.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda. Hearing no one with a desire to address the Commission, the floor was closed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Short moved to adjourn, which was seconded simultaneously by Commissioners Mooney and Niver. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 8:16 P.M. the meeting was adjourned.

Attest:

Keith Rubin, Commission President

Pat D. Mooney, Commission Vice-President

Ray Niver, Commission Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner